

HEAR AND DETERMINE SAID CONTROVERSY IN ACCORDANCE WITH APPLICABLE LAW, THE INTENTION OF THE PARTIES AS EXPRESSED IN THIS AGREEMENT AND ANY AMENDMENTS THERETO, AND UPON THE EVIDENCE PRODUCED AT AN ARBITRATION HEARING, PRE-ARBITRATION DISCOVERY SHALL BE PERMITTED IN ACCORDANCE WITH THE COMMERCIAL RULES OR STATE LAW APPLICABLE TO ARBITRATION PROCEEDINGS, THE AWARD SHALL BE EXECUTED BY AT LEAST TWO OF THE THREE ARBITRATORS, BE RENDERED WITHIN 30 DAYS AFTER THE CONCLUSION OF THE HEARING, AND MAY INCLUDE ATTORNEYS' FEES AND COSTS TO THE PREVAILING PARTY PER PARAGRAPH 16 HEREOF. JUDGMENT MAY BE ENTERED ON THE AWARD IN ANY COURT OF COMPETENT JURISDICTION NOTWITHSTANDING THE FAILURE OF A PARTY DULY NOTIFIED OF THE ARBITRATION HEARING TO APPEAR THEREAT.

22.2 BUYER'S RESORT TO OR PARTICIPATION IN SUCH ARBITRATION PROCEEDINGS SHALL NOT BAR SUIT IN A COURT OF COMPETENT JURISDICTION BY THE BUYER FOR DAMAGES AND/OR SPECIFIC PERFORMANCE UNLESS AND UNTIL THE ARBITRATION RESULTS IN AN AWARD TO THE SELLER OF LIQUIDATED DAMAGES, IN WHICH EVENT SUCH AWARD SHALL ACT AS A BAR AGAINST ANY ACTION BY BUYER FOR DAMAGES AND/OR SPECIFIC PERFORMANCE.

22.3 NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS SUCH RIGHTS ARE SPECIFICALLY INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY.

WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION TO NEUTRAL ARBITRATION.

M.K.
Buyer Initials

[Signature]
Seller Initials

23. Miscellaneous.

23.1 Binding Effect. This Agreement shall be binding on the Parties without regard to whether or not paragraphs 21 and 22 are initialed by both of the Parties. Paragraphs 21 and 22 are each incorporated into this Agreement only if initialed by both Parties at the time that the Agreement is executed.

23.2 Applicable Law. This Agreement shall be governed by, and paragraph 22.3 is amended to refer to, the laws of the state in which the Property is located.

23.3 Time of Essence. Time is of the essence of this Agreement.

23.4 Counterparts. This Agreement may be executed by Buyer and Seller in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. Escrow Holder, after verifying that the counterparts are identical except for the signatures, is authorized and instructed to combine the signed signature pages on one of the counterparts, which shall then constitute the Agreement.

23.5 Waiver of Jury Trial. The Parties hereby waive their respective rights to trial by jury in any action or proceeding involving the Property or arising out of this Agreement.

24. Disclosures Regarding The Nature of a Real Estate Agency Relationship.

24.1 The Parties and Brokers agree that their relationship(s) shall be governed by the principles set forth in the applicable sections of the California Civil Code, as summarized in paragraph 24.2.

24.2 When entering into a discussion with a real estate agent regarding a real estate transaction, a Buyer or Seller should from the outset understand what type of agency relationship or representation it has with the agent or agents in the transaction. Buyer and Seller acknowledge being advised by the Brokers in this transaction, as follows:

(a) *Seller's Agent.* A Seller's agent under a listing agreement with the Seller acts as the agent for the Seller only. A Seller's agent or subagent has the following affirmative obligations: (1) *To the Seller:* A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Seller. (2) *To the Buyer and the Seller:* a. Diligent exercise of reasonable skills and care in performance of the agent's duties. b. A duty of honest and fair dealing and good faith. c. A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the Parties. An agent is not obligated to reveal to either Party any confidential information obtained from the other Party which does not involve the affirmative duties set forth above.

(b) *Buyer's Agent.* A selling agent can, with a Buyer's consent, agree to act as agent for the Buyer only. In these situations, the agent is not the Seller's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Seller. An agent acting only for a Buyer has the following affirmative obligations. (1) *To the Buyer:* A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Buyer. (2) *To the Buyer and the Seller:* a. Diligent exercise of reasonable skills and care in performance of the agent's duties. b. A duty of honest and fair dealing and good faith. c. A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the Parties. An agent is not obligated to reveal to either Party any confidential information obtained from the other Party which does not involve the affirmative duties set forth above.

(c) *Agent Representing Both Seller and Buyer.* A real estate agent, either acting directly or through one or more associate licenses, can legally be the agent of both the Seller and the Buyer in a transaction, but only with the knowledge and consent of both the Seller and the Buyer. (1) In a dual agency situation, the agent has the following affirmative obligations to both the Seller and the Buyer: a. A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either Seller or the Buyer. b. Other duties to the Seller and the Buyer as stated above in their respective sections (a) or (b) of this paragraph 24.2. (2) In representing both Seller and Buyer, the agent may not without the express permission of the respective Party, disclose to the other Party that the Seller will accept a price less than the listing price or that the Buyer will pay a price greater than the price offered. (3) The above duties of the agent in a real estate transaction do not relieve a Seller or Buyer from the responsibility to protect their own interests. Buyer and Seller should carefully read all agreements to assure that they adequately express their understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional.

(d) *Further Disclosures.* Throughout this transaction Buyer and Seller may receive more than one disclosure, depending upon the number of agents assisting in the transaction. Buyer and Seller should each read its contents each time it is presented, considering the relationship between them and the real estate agent in this transaction and that disclosure. Brokers have no responsibility with respect to any default or breach hereof by either Party. The liability (including court costs and attorneys' fees), of any Broker with respect to any breach of duty, error or omission relating to this Agreement shall not exceed the fee received by such Broker pursuant to this Agreement; provided, however, that the foregoing limitation on each Broker's liability shall not be applicable to any gross negligence or willful misconduct of such Broker.

24.3 *Confidential Information:* Buyer and Seller agree to identify to Brokers as "Confidential" any communication or information given Brokers that is considered by such Party to be confidential.

25. *Construction of Agreement.* In construing this Agreement, all headings and titles are for the convenience of the Parties only and shall not be considered a part of this Agreement. Whenever required by the context, the singular shall include the plural and vice versa. Unless otherwise specifically indicated to the contrary, the word "days" as used in this Agreement shall mean and refer to calendar days. This Agreement shall not be construed as if prepared by one of the parties, but rather according to its fair meaning as a whole, as if both Parties had prepared it.

26. Additional Provisions:

Additional provisions of this offer, if any, are as follows or are attached hereto by an addendum consisting of paragraphs _____ through _____ (If there are no additional provisions write "NONE".)

Initials

EXHIBIT A

M.K.
[Signature]
Initials

000110

ATTENTION: NO REPRESENTATION OR RECOMMENDATION IS MADE BY THE AMERICAN INDUSTRIAL REAL ESTATE ASSOCIATION OR BY ANY BROKER AS TO THE LEGAL SUFFICIENCY, LEGAL EFFECT, OR TAX CONSEQUENCES OF THIS AGREEMENT OR THE TRANSACTION TO WHICH IT RELATES. THE PARTIES ARE URGED TO:

1. SEEK ADVICE OF COUNSEL AS TO THE LEGAL AND TAX CONSEQUENCES OF THIS AGREEMENT.
2. RETAIN APPROPRIATE CONSULTANTS TO REVIEW AND INVESTIGATE THE CONDITION OF THE PROPERTY. SAID INVESTIGATION SHOULD INCLUDE BUT NOT BE LIMITED TO: THE POSSIBLE PRESENCE OF HAZARDOUS SUBSTANCES, THE ZONING OF THE PROPERTY, THE INTEGRITY AND CONDITION OF ANY STRUCTURES AND OPERATING SYSTEMS, AND THE SUITABILITY OF THE PROPERTY FOR BUYER'S INTENDED USE.

WARNING: IF THE PROPERTY IS LOCATED IN A STATE OTHER THAN CALIFORNIA, CERTAIN PROVISIONS OF THIS AGREEMENT MAY NEED TO BE REVISED TO COMPLY WITH THE LAWS OF THE STATE IN WHICH THE PROPERTY IS LOCATED.

NOTE:

1. THIS FORM IS NOT FOR USE IN CONNECTION WITH THE SALE OF RESIDENTIAL PROPERTY.
2. IF THE BUYER IS A CORPORATION, IT IS RECOMMENDED THAT THIS AGREEMENT BE SIGNED BY TWO CORPORATE OFFICERS. The undersigned Buyer offers and agrees to buy the Property on the terms and conditions stated and acknowledges receipt of a copy hereof.

BROKER:

Lee & Associates-Industry, Inc.

By: [Signature] /Date 8-31-98

Name Printed: Darrell Hyne

Title:

Address 13181 Crossroads Parkway N., Ste. 300

City of Industry, CA 91746

(562) 699-7500

(562) 695-3133

Telephone

Facsimile No.

Federal ID No.

BUYER:

Montri Keyuranggul

By: [Signature]

Name Printed:

Title:

By:

Name Printed:

Title:

Address: 19925 South Ray Circle

Cerritos, CA 90703

(562) 926-8881

(562) 926-8881

Telephone

Facsimile No.

Federal ID No.

27. Acceptance.

27.1 Seller accepts the foregoing offer to purchase the Property and hereby agrees to sell the Property to Buyer on the terms and conditions therein specified.

27.2 Seller acknowledges that Brokers have been retained to locate a Buyer and are the procuring cause of the purchase and sale of the Property set forth in this Agreement. In consideration of real estate brokerage service rendered by Brokers, Seller agrees to pay Brokers a real estate Brokerage Fee in a sum equal to 6 % of the Purchase Price divided in such shares as said Brokers shall direct in writing. This Agreement shall serve as an irrevocable instruction to Escrow Holder to pay such Brokerage Fee to Brokers out of the proceeds accruing to the account of Seller at the Closing.

27.3 Seller acknowledges receipt of a copy hereof and authorizes Brokers to deliver a signed copy to Buyer.

NOTE: A PROPERTY INFORMATION SHEET IS REQUIRED TO BE DELIVERED TO BUYER BY SELLER UNDER THIS AGREEMENT.

BROKER:

INCO Commercial

By: _____ /Date _____

Name Printed: Bruce Romano

Title:

Address 14700 Firestone Boulevard, #111

La Mirada, CA 90638

(562) 926-0506

(714) 521-8177

Telephone

Facsimile No.

Federal ID No.

SELLER:

David Faithe Trustee of the

FATTHE FAMILY TRUST DATED MAY 12, 1994

By: [Signature]

Name Printed:

Title:

By:

Name Printed:

Title:

Address: P.O. Box 1115

Garden Grove, CA 92642

(714) 534-1566

Telephone

Facsimile No.

Federal ID No.

These forms are often modified to meet changing requirements of law and needs of the industry. Always write or call to make sure you are utilizing the most current form: American Industrial Real Estate Association, 700 South Flower Street, Suite 600, Los Angeles, CA 90017. (213) 687-8777.

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EXHIBIT A

000111



OLD REPUBLIC TITLE COMPANY

101 E. Glenoaks Blvd. - P.O. Box 29003 • Glendale, CA • 91209-9003 • (818) 247-2917 • FAX (818) 246-5381

SPECIAL SALE INSTRUCTIONS TO OLD REPUBLIC TITLE COMPANY

Property Address: 14650 FIRESTONE BLVD.

LA MIRADA, CA 90638

Escrow No.: 12316150TD-

Escrow Officer: TINA DEBOW

Date: 09/16/98

BUYER: MONIRI KEYURANGGUL AND CHIRAVAN KEYURANGGUL

SELLER: THE FAITHE FAMILY TRUST, DATED MAY 12, 1997

The attached STANDARD OFFER, AGREEMENT AND ESCROW INSTRUCTIONS dated August 26, 1998 by and between the buyer and seller referenced above, is incorporated herein and made a part hereof. You are authorized to act in accordance with these instructions, and any amendments hereto. You are not to be concerned with, or liable for, any memoranda or other agreements between the parties as contained in the attached document, except those relating to the transfer of title. Prior to close of escrow, the parties to this transaction will cause any balance of funds due and/or documents required of them to be deposited with you.

The following additional terms and conditions shall apply in this escrow:

NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY, THAT CERTAIN STANDARD OFFER, AGREEMENT AND ESCROW INSTRUCTIONS FOR PURCHASE OF REAL ESTATE, DATED AUGUST 26, 1998 (AS REFERENCED ABOVE) IS ATTACHED HERETO, MARKED EXHIBIT "A", (HEREINAFTER REFERRED TO AS "AGREEMENT"), SHALL CONSTITUTE YOUR ESCROW INSTRUCTIONS. THE FOLLOWING INSTRUCTIONS ARE GIVEN YOU TO UTILIZE SAID AGREEMENT AS YOUR ESCROW INSTRUCTIONS, WHICH ARE AS FOLLOWS:

1. NOTWITHSTANDING ANYTHING CONTAINED IN THE AGREEMENT TO THE CONTRARY, THE TERM "DATE OF AGREEMENT" AS SET FORTH IN PARAGRAPH 1.2 AND OTHER REFERENCED AREAS OF THE AGREEMENT, IS HEREBY ESTABLISHED AS BEING SEPTEMBER 14, 1998. BUYER'S SIGNATURE ON THESE INSTRUCTIONS SHALL CONSTITUTE BUYER'S RECEIPT AND ACKNOWLEDGEMENT OF THE PROPERTY INFORMATION SHEET AS REFERENCED IN PARAGRAPH 9.1(a) OF AGREEMENT, THEREFORE THE TERM "LATER DATE" AS REFERENCED IN PARAGRAPH 9 OF THE AGREEMENT IS ALSO ESTABLISHED AS BEING SEPTEMBER 14, 1998.

2. THE EXPECTED CLOSING DATE IS HEREBY AMENDED TO BE OCTOBER 9, 1998 (OCTOBER 10, 1998 AS SET FORTH IN THE AGREEMENT FALLS ON A SATURDAY), PROVIDED ALL TERMS AND CONDITIONS OF THE AGREEMENT HAVE BEEN SATISFIED, WAIVED AND/OR REMOVED BY BUYER BY SAID EXPECTED CLOSING DATE.

3. THE DATES IN WHICH BUYER SHALL APPROVE THE CONTINGENCIES AS REFERENCED IN PARAGRAPH 9 OF THE AGREEMENT ARE ESTABLISHED AS FOLLOWS:

A: 9.1(a) DISCLOSURE: BUYER SHALL APPROVE THE PROPERTY INFORMATION SHEET ON OR BEFORE SEPTEMBER 24, 1998.

B: 9.1(b) PHYSICAL INSPECTION: BUYER SHALL APPROVE THE PHYSICAL INSPECTION ON OR BEFORE SEPTEMBER 24, 1998.

C: 9.1(c); 9.1(d), 9.1(e): HAZARDOUS SUBSTANCE CONDITIONS REPORT AND SOIL INSPECTION, GOVERNMENTAL APPROVALS: BUYER SHALL APPROVE THESE CONTINGENCIES ON OR BEFORE OCTOBER 14, 1998.

D: 9.1(f): CONDITIONS OF TITLE: NOTWITHSTANDING ANYTHING TO THE CONTRARY, ESCROW HOLDER IS AUTHORIZED AND INSTRUCTED TO DELIVER A CURRENT PRELIMINARY REPORT IN LIEU OF A TITLE COMMITMENT TO BUYER, TOGETHER WITH COPIES OF ALL UNDERLYING DOCUMENTS WITH ON OR BEFORE SEPTEMBER 24, 1998.

E: 9.1(g): SURVEY: IN THE ABSENCE OF SUCH NOTIFICATION FROM BUYER, ESCROW HOLDER IS TO DEEM THAT A NORMAL CLTA OWNER'S POLICY SHALL BE GENERATED AT CLOSE OF ESCROW.

F: 9.1(h): EXISTING LEASES AND TENANCY STATEMENTS: ESCROW HOLDER IS TO DEEM THAT THIS PARAGRAPH IS NOT APPLICABLE IN THE EVENT THAT ESCROW HOLDER IS NOT PROVIDED WITH SUCH INFORMATION ON OR BEFORE SEPTEMBER 24, 1998.

G: 9.1(i): ESCROW HOLDER SHALL NOT BE FURTHER CONCERNED THEREWITH.

H: 9.1(j): N/A.

INITIAL
HERE
X DEB
X OF

000112

671-10

OLD REPUBLIC TITLE COMPANY IS LICENSED TO ACT AS AN UNDERWRITTEN TITLE COMPANY BY THE
STATE OF CALIFORNIA, DEPARTMENT OF INSURANCE.

BUYER

MONTRI KEYURANGGUL

CHIRAVAN KEYURANGGUL

SELLER :

THE FAITHE FAMILY TRUST, DATED MAY 12, 1997

By: David Faithe
DAVID FAITHE, TRUSTEE

By: Sally Faithe
SALLY FAITHE, TRUSTEE

Received OLD REPUBLIC TITLE COMPANY

By: [Signature]

Date: 9/29/98

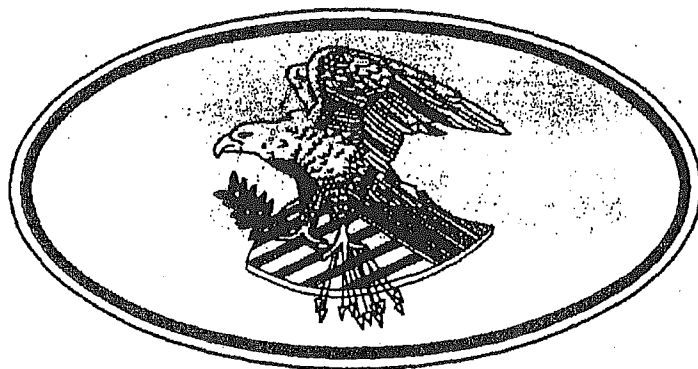
Exhibit 2 to Depo of Montri Keyuranggul

SLIC # 409 (133)

6.4.03

S & S

COMMERCIAL ENVIRONMENTAL SERVICES, LLC



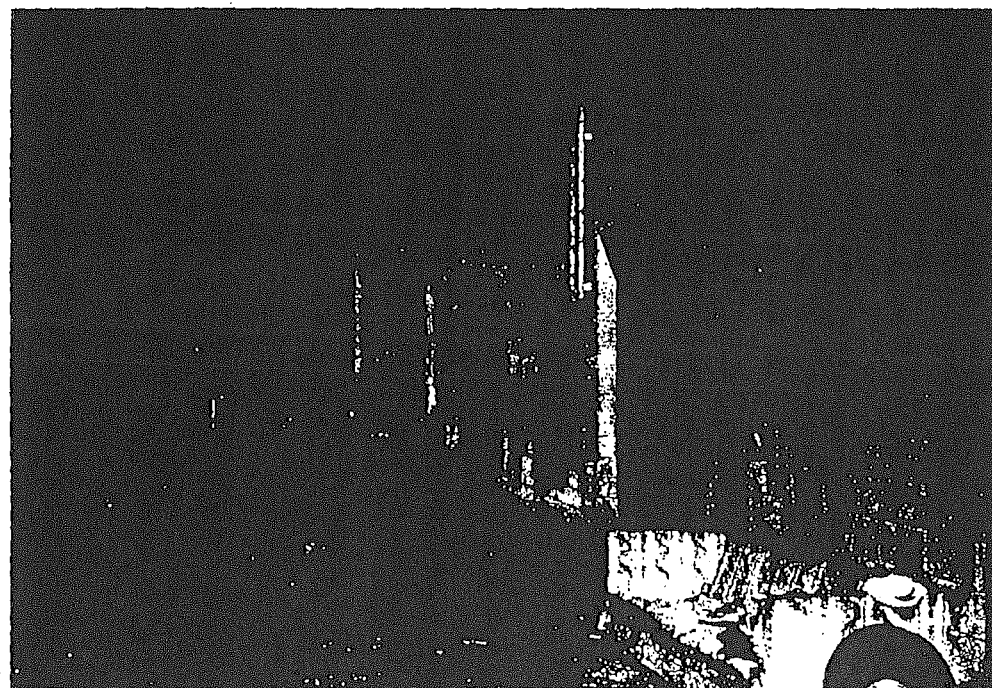
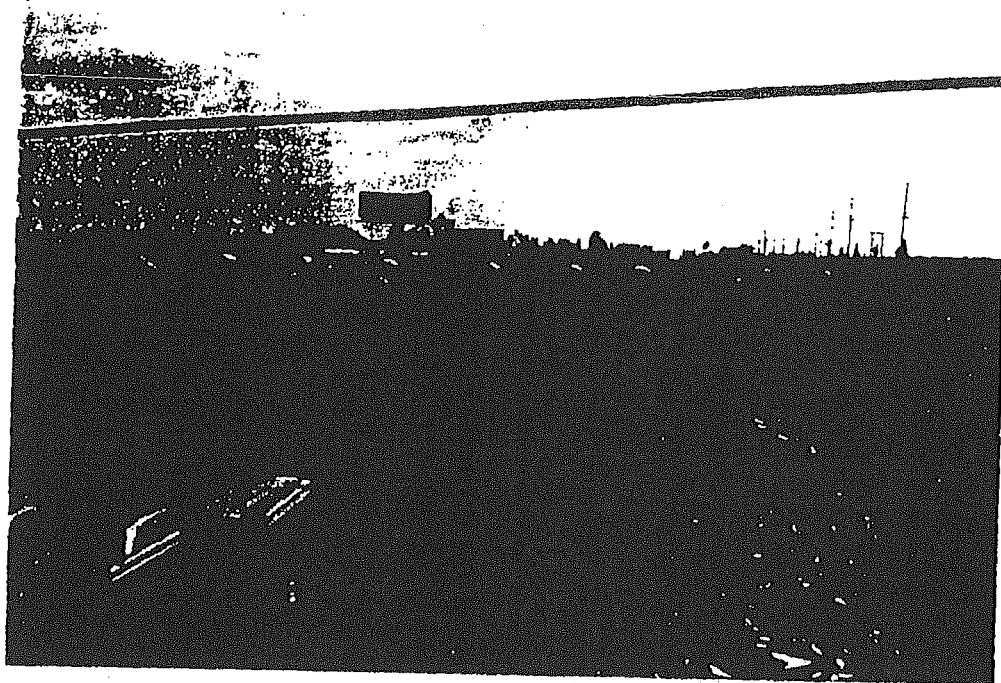
ENVIRONMENTAL SITE ASSESSMENT

Report for the City of Newport Beach, California

5204 Seashore Drive • Suite A • Newport Beach • CA. 92663 • 13520 Amber Road • Chino CA. 91710
714-650-4994 • Fax: 714-650-4275 • 800-517-807

EXHIBIT 2
Deponent: Keyser
Date: 9/10/03 Rptr: SH
WWW.DEPOBOOK.COM

LAWB 1498



TOP: Front Side of Subject Property
BOTTOM: Rear of Subject Property

PHASE I ENVIRONMENTAL SITE ASSESSMENT
14650-14652 1/2 EAST FIRESTONE BOULEVARD
LA MIRADA, CALIFORNIA 90638

October 20, 1998

S & S Job #SE98122

ATTN: Mr. Bob Key
ALL-TEX INKS, INC.
13040 Tom White Way, Suite F
Norwalk, CA 90650

Re: **Phase I Environmental Assessment**
14650-14652½ East Firestone Boulevard
La Mirada, CA 90638

1.0 INTRODUCTION

This report presents the results of our Phase I Environmental Site Assessment and record review performed on the subject property known as 14650-14652½ East Firestone Boulevard in the City of La Mirada, County of Los Angeles, California. Authorization for this report was given by Mr. Bob Key for *All-Tex Inks, Inc.*

The addresses given in the building permit file range from 14650-14652½ East Firestone Boulevard and are stated as such for this report.

The site inspection took place on Wednesday, October 8, 1998.

Report Organization

This report is divided into sections which discuss the field investigation, government records search, regulatory agency contacts and recommendations. Appendices follow the text.

1.1 Purpose and Scope of Work

The purpose of a Phase I Environmental Site Assessment is to discover any past or present, environmentally-related events which may negatively impact the subject property. This includes a search of all available records concerning the property and the performance of an on-site inspection. Procedures followed in the performance of a Phase I Environmental Site Assessment include executing a government records search, researching permits for the site where prudent, interviewing the tenants of the subject property or neighbors in close proximity, studying aerial photographs, interviewing personnel at the appropriate regulatory agencies and conducting a physical survey of the subject property.

1.2 Involved Parties/Information Sources

This *S & S Commercial Environmental Services, Inc.* Phase I Environmental Site Assessment is produced through the efforts of a California Registered Environmental Assessor working in conjunction with Federal, State and county regulatory agencies. *Vista Environmental Solutions* maintains a comprehensive, computerized data base of pertinent, environmentally-related records, referred to as a Site Assessment report, which is updated on a regular basis. This data base is researched for Category I, II, III and IV sites within one mile of the subject property and a report is generated based upon the available regulatory records. The report is reviewed for sites which might

Subject Property: 14650-14652 1/2 East Firestone Boulevard La Mirada, CA 90638

impact the subject property and an inquiry is directed toward those sites within the 2,000 foot hazardous waste disclosure zone.

The field investigation includes a site assessment, observations of the neighboring facilities and verification of permits and building records, as necessary. This review and inspection was performed by Stephen A. Quartararo, California Registered Environmental Assessor, California A Licensed General Engineering Contractor, Hazardous Materials Certified, California Certified and OSHA Registered Asbestos Contractor and Consultant and ASPE Certified Professional Estimator.

2.0 PRINCIPAL FINDINGS

2.1 Summary of Operations and Environmental Discrepancies

The subject property is former agricultural land developed with an industrial building in 1962.

From 1962 until 1974, the subject property appears to have housed light industrial uses, including a diaper washing service, light machine shop (with 90% of the work done in the field) and an auto impound yard on the south side of the parcel.

There was fire damage to the building in 1972 and 1976 which was repaired.

In 1974, *Western Chemical Manufacturing* began their occupancy of the subject property. *Western Chemical Manufacturing* was a distributor and reclaimer of chlorinated dry cleaning solvents (perchloroethylene, trichloroethylene and 1,1,1, trichloroethane). They applied for a permit to the *Los Angeles County Sanitation District* in 1974 which stated that they sold new product to end users and reclaimed used product in an enclosed system. The permit stated that the waste producing operations were "sanitary facilities and clean-up of floor and water wash of solvents".

A subsequent request for clarification from the sanitation district caused *Western Chemical Manufacturing* to respond that only some alcohol and bleed off of cooling tower water would be discharged down the sewer and that they would install cement block curbs to prevent any overflow or spillage to be discharged down the sewer.

The industrial wastewater permit was issued subject to the installation of a barrier system and the permanent closing of the floor drain.

The last *Los Angeles County Sanitation District* Inspector's report and Notice of Compliance dated July 9, 1976 stated to the effect that the required facilities had not been constructed and the floor drain had not been capped or closed. In addition, there was spillage and overflow. There were no further inspections found until 1981, when a *Los Angeles County Sanitation District* Inspector found that *Western Chemical Manufacturing* had left the site "some time ago" and the industrial wastewater permit was canceled.

Subject Property: 14650-14652 1/2 East Firestone Boulevard La Mirada, CA 90638

This site is on the State EPA's list of sites to review and was forwarded to the Los Angeles County Fire Department, Hazardous Materials Site Mitigation Unit for further investigation. There was a computer entry but no records or file with the Los Angeles County Fire Department, Hazardous Materials Site Mitigation Unit. The Los Angeles County Public Health Investigative Unit and the Los Angeles County Public Works, Industrial Waste Division, were also researched for records, with no success.

This Assessor's experience with similar facilities and their method of operations prior to the mid-1980s indicates that there may very well be soil contamination from chlorinated solvents which would have moved easily through the concrete once spilled with no seal on the concrete.

From 1981 until the present, the subject property has been occupied by machinery distributors, other distributors and a furniture company.

There are three units on the subject property, with current operations in two of the units being wood furniture manufacturing and the third unit being vacant.

There is a recommendation in the closing of this report for four soil borings to a depth of 40 feet, with selected sample analysis by the on-site Registered Geologist.

2.2 Summary of Building Materials and Environmental Discrepancies

Building Materials - Based upon the age of the building on the subject property, there are small amounts of presumed *friable* asbestos-containing ceiling acoustic and wallboard mud and *non-friable* asbestos-containing floor tiles and roof mastic. These materials are presumed by FED-OSHA under a rebuttable presumption due to their availability or continuing availability for use in building construction in the United States during the time the building was constructed or renovated. If these presumed asbestos-containing materials are present on the subject property, they are not considered a problem per the EPA in their current condition and expected use of the building.

There are also fluorescent light fixtures in the building which are suspected of having ballasts containing a small amount of pcb. These were not noted as leaking and are not expected to be a problem for the building occupants.

A summary of the current regulatory status of asbestos precedes further description.

2.2.1 Asbestos

Background - Asbestos is a natural occurring mineral fiber utilized in a multitude of building material products due to its high tensile strength and excellent fire resistant properties. The EPA has defined asbestos materials as being either *friable* or *non-friable* materials. *Friable* material is defined as being easily broken or crushed by

available regarding former operations on-site.

Pesticides, Herbicides - There was no current use of herbicides or pesticides noted beyond the normal residential and commercial insect and pest control.

Radon - Radon comes from the natural breakdown (radioactive decay) of uranium. The *Environmental Protection Agency (EPA)* estimates that the average soil in the United States contains only about one part per million of uranium. Uranium is found in about 150 minerals including granite, phosphate and shale. Granite is a major concern for the presence of radon, as some deposits have been found to contain extremely high levels of uranium. The area of the subject property does not indicate any large deposits of granite material which would be of concern to test for the presence of radon. Phosphorous is an essential ingredient in chemical fertilizers and comes from phosphate rock. There does not appear to ever have been much fertilizer used around the subject property. According to Mr. David Quinton of the *State Department of Radon*, the chance of radon being a hazard in the State of California is very low. Actual testing for radon content in the structure on the subject property was not conducted and is not included in the scope of this report.

Lead-Based Paint - Specific testing is required to determine if paint or other materials used in the construction of the building on the site contain significant levels of lead. These tests are not within the scope of work for this report and no investigation for lead content was, or will be, performed unless agreed to by the property owner as an additional service, incurring additional costs.

Regulatory Actions - There were no regulatory actions found concerning the subject property beyond the citations for non-compliance in 1976 for the then on-site *Western Chemical Manufacturing* which had not complied with the conditions of the industrial wastewater discharge permit.

Known Site Problems - The subject property was used by a dry cleaning supplies distributor which recycled waste from dry cleaners containing cleaning solvents which were noted by *Los Angeles County Sanitation District* Inspectors to have spilled and overflowed onto the concrete floor. These cleaning solvents were stated to be perchloroethylene, trichloroethylene and 1,1,1, trichloroethane.

There was also new cleaning solvent distributed. It is expected that there was a mid-size aboveground tank on-site, as that would have been the most efficient and cost effective method of supplying individual dry cleaning operators with 1-, 5-, 35- or 55-gallon containers, as needed.

The filling of these containers has, in similar former operations, been noted to overflow onto the floor from time to time and cause eventual soil contamination due to the ease with which these solvents move through concrete.

Subject Property: 14650-14652 1/2 East Firestone Boulevard La Mirada, CA 90638

Regional or Adjacent Problems - There were no regional or adjacent environmental issues identified during the research for this report which would, in this Assessor's opinion, affect the subject property.

8.0 CONCLUSIONS

8.1 Areas of No Apparent Concern

The physical site survey of the subject property did not evidence concerns for current sources of migratory contamination of chemicals and waste from adjacent properties.

The presumed asbestos-containing materials are generally in good condition and, with minimal patching and repair, do not create a current significant environmental issue.

The suspected pcb-containing fluorescent light ballasts on-site were not noted to be leaking and are not a current environmental issue.

8.2 Areas of Further Concern

The physical site survey indicated areas of further concern for suspected pcb-containing fluorescent light ballasts and presumed asbestos-containing building materials.

The records investigation and review of the available files regarding the former dry cleaning supplies distributor on-site identified a potential cleaning solvent, perchloroethylene, trichloroethylene and 1,1,1, trichloroethane environmental issue on-site.

9.0 RECOMMENDATIONS

9.1 Areas of No Action

The presumed asbestos-containing building materials are generally in good condition and do not appear to represent a current hazard to the occupants of the subject property beyond some open wallboard in the shop area which can be easily patched and sealed.

The suspected pcb-containing fluorescent light fixtures in the office area did not appear to be leaking and are not a current problem.

9.2 Further Investigation

Asbestos - Prior to any future remodel or reroofing which will involve disturbance of the presumed asbestos-containing building materials, they should be bulk sampled and tested. If asbestos is identified, they should be handled according to regulations in affect at the time of remodeling or renovation.

In the short term, the damaged areas, including those areas of damaged or missing floor tiles, should be patched and sealed.

Subject Property: 14650-14652 1/2 East Firestone Boulevard La Mirada, CA 90638

Pcb - Prior to disposal of any fluorescent light fixtures, the ballasts should be checked for a "no pcb" label. If none is found, the affected ballasts should be disposed of in accordance with regulations in effect at that time.

Potential Soil Contamination - A minimum of four borings to a depth of 40 feet with selected sampling for perchloroethylene, trichloroethylene and 1,1,1, trichloroethane is recommended to determine whether or not there is any contamination from the former operations inside the building or outside the rear of the building facing the railroad tracks. The exact location of the borings and samples to be tested will be per the Field Geologist.

There are no other areas of investigation.

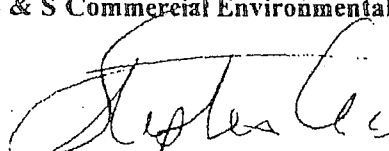
10.0 LIMITATIONS

This report is intended to satisfy the requirements of a Phase I Environmental Site Audit and Update as outlined in the ASTM standards. This standard is intended to define the scope of due diligence necessary in a real estate transaction to provide for the "innocent buyer's defense" under the SARA amendments to CERCLA.

The findings set forth in this Phase I Environmental Site Assessment Update are strictly limited in time and scope to the date of evaluation(s). Government records searched are limited to the accuracy of the agency prepared lists. The conclusions presented in the report are based solely on the services described therein and not on scientific tasks or procedures beyond the scope of the agreed upon Phase I Environmental Site Assessment Update. It is hereby acknowledged that, within the scope of this survey, no level of assessment can ensure the real property is completely free of chemicals or toxic substances.

This public records search was conducted with available Federal, State, County and City agency departments, according to recognized procedures and current availability of records. Conclusions resulting from these searches are solely a result of the same. *S & S Commercial Environmental Services, Inc.* assumes no responsibility for events that are not part of these public records.

S & S Commercial Environmental Services, Inc.


Stephen A. Quartararo
Registered Environmental Assessor
No. 01486 Expires: 06/30/99
Certified Asbestos Consultant
No. 94-1340 Expires: 04/29/99

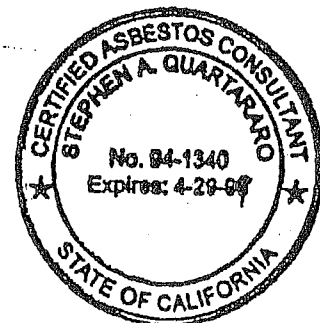
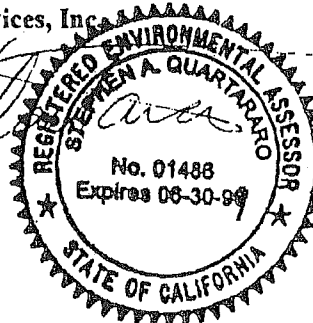


Exhibit 4 to Depo of Montri Keyuranggul

AMENDMENT TO STANDARD OFFER AGREEMENT AND ESCROW
INSTRUCTIONS FOR PURCHASE OF REAL ESTATE

WHEREAS, MONTRI KEYURANGGUL and CHIRAVAN KEYURAANGUL (hereinafter collectively "Buyer" and DAVID FAITHE and SALLY FAITHE CO-TRUSTEES OF THE FAITHE FAMILY TRUST, U/D/T dated May 12, 1997 (hereinafter collectively "Seller") have entered into that certain agreement to purchase and sell the real property and structures at 14650, 146501-1/2, 14652, and 14652 -1/2 Firestone Blvd. La Mirada, Cal. 90638 (hereinafter collectively the "Property") dated August 26, 1998 (hereinafter the "Purchase Agreement"); and

WHEREAS; Buyer and Seller have opened an escrow and executed various escrow instructions, and amended escrow instructions, at Old Republic Title Company, 101 E. Glenoaks Blvd. P.O. Box 29003, Glendale, Cal. 91209-9003, escrow no. 12316150-TD (hereinafter "Escrow"); and

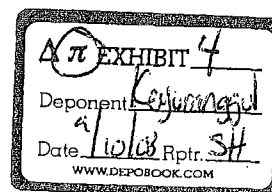
WHEREAS, Buyer has engaged in various investigations regarding the conditions of the Property, including, Buyer hiring certain environmental consultants to research the history of the Property and any facts that might give rise to any actual or potential, present or future, concerns regarding environmental or hazardous substances or conditions with respect to the Property; and

WHEREAS, Buyer's consultants have issued a letter date October 16, 1998 from S&S Environmental Services, Inc. and a Phase I Environmental Assessment dated October 20, 1998, true copies of the pertinent parts of which are attached hereto respectively as Exhibits "1" and "2" and are incorporated herein by this reference (hereinafter the "Environmental Reports"); and

WHEREAS, the Environmental Reports disclosed the possibility that hazardous substances could have spilled onto the Property and that there was a possibility that there was soil contamination under, on or around the Property, or that other environmental or hazardous conditions might exist regarding the Property; and

WHEREAS, Buyer is desirous of completing the purchase of the Property from Seller notwithstanding the possibility of the existence of chemicals, toxic substances or other hazardous conditions on, under, or adjacent to the Property and the possibility that Buyer may have to incur costs, expenses, fees and the like in the future in having to clean up the Property to eliminate any toxic or other hazardous substances which might affect the Property, and Buyer is willing to assume any and all risks associated therewith and to hold Seller harmless from all environmental concerns, costs, fees, expenses and the like, and to forego any further environmental or hazardous substances testing of the Property; and

WHEREAS, Seller is willing to reduce the selling price of the Property to Buyer and to modify the financing terms of the sale of the Property to Buyer in order for Buyer to fully indemnify Seller from any and all past, present and future losses and risks associated with the possibility that the



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Property may be contaminated with toxic or other hazardous substances ; and

WHEREAS Buyer and Seller wish to amend the Purchase Agreement to the extent necessary to effectuate the intent of the above-stated recitals by this amendment to the Purchase Agreement (hereinafter "Amendment").

WHEREFORE for valuable consideration and in exchange the promises and conditions herein contained Buyer and Seller further agree as follows:

A. Seller agrees to reduce the purchase price of the Property to the sum of \$404,900. This reduction also includes the prior reduction of the purchase price which is due to Seller allowing a \$600 credit to Buyer for one-half of the estimated costs of repairs to the roof of the Property per the latter agreement between the parties dated September 23, 1998.

B. Seller agrees to modify the payment schedule of the underlying promissory note secured by a first trust deed from the Buyer to be all due and payable in 13 years, with monthly principal and interest payment fully amortized over 20 years.

C. Buyer agrees to fully defend and to fully hold Seller free and harmless from any and all expenses, damages, costs, fees, attorney's fees, losses, suits, claims, causes of action, obligations, assessments, fines, penalties, charges, judgments, settlements, clean up costs, and the like, which Seller may incur, at any time, as a result of any past, present, or future environmental concerns regarding the subject Property, or any past, current, or future, spillage, overflow, discharge, or any other form or manner of actual or potential contamination of the Property involving any type of toxic or hazardous substance or waste. For purposes of this agreement "toxic" or "hazardous" substances shall include, but not be limited to, any substances identified in the Environmental Reports referenced herein, and any flammable, explosive, radioactive, or dangerous substance or related material or any other chemical, material or substance exposure to which is prohibited, limited or regulated by any federal, state, county, city, regional or local authority, law, regulation, order, ordinance or statute.

D. Buyer and Seller further agree and acknowledge that all contingencies of paragraph 9.10, of the Purchase Agreement have been fully satisfied, and that paragraphs 7, 8, 9 and 10, of the Property Information Sheet given to Buyer by Seller is hereby amended to include the information provided in this Amendment and in the Environmental Reports, and Buyer further specifically waives any additional time to consider said amendments to the Property Information Sheet.

E. Buyer and Seller agree to execute any further escrow instructions and any other documents necessary to effectuate the intention of this Amendment.

F. Except as stated herein, the remaining terms and provisions of the Purchase Agreement shall remain in full force and effect.

IT IS SO AGREED:

000067

BUYER

Monty Keyuranggul
MONTA KEYURANGGUL

10/28/98
DATE

Chiravan Keyuranggul
CHIRAVAN KEYURANGGUL

10-28-98
DATE

SELLER

THE FAITHE FAMILY TRUST, U/D/T dated May 12, 1998

David Faithe
DAVID FAITHE, TRUSTEE

10.28.98
DATE

SALLY FAITHE, TRUSTEE

DATE

000068

Exhibit 10 to Depo of Montri Keyuranggul

DIANE R. SMITH

VIA FACSIMILE AND U.S. MAIL

October 26, 2000

Ms. Su Han
Regional Water Quality Control Board
Los Angeles Region
320 West 4th Street, Suite 200
Los Angeles, CA 90013

Re: 14650 East Firestone Blvd., La Mirada ALIC Case No. 909

Dear Ms. Han:

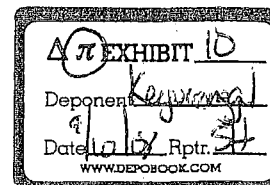
This office represents SOCO Lynch Corporation with respect to environmental issues at the referenced property.

SOCO Lynch's consultant, JPR Technical Services, Inc., and specifically, Lyne Hethrington, Principal Scientist with JPR, has advised us that, during a recent site visit to the Property, she observed the presence of a drum at the All-Tex business, the label of which identified the contents as methylene chloride.

We obtained the attached affidavit from Ms. Hethrington, documenting her observations. We understand that the owner-operator of All-Tex, Inc., Bob Key, has claimed to the Regional Board that he bought the drum of materials for a friend. Frankly, this assertion is implausible, and without a shred of proof, much less *credible* proof. Further, Mr. Key and All-Tex knew of the potential presence of substances at the property, and knew the details of the site's history, at the time that All-Tex acquired the property from the prior owner, David Faithe. All-Tex is not an "innocent purchaser." All-Tex is clearly liable because it *took the property even though Mr. Key, and therefore All-Tex, had complete knowledge of its history.* All-Tex allowed the substances to remain on the property during its time of ownership. Mr. Key is also clearly liable personally, since he is the owner and operator of the property, and made all decisions regarding it.

Further, the substances have in all likelihood continued to migrate during the time All-Tex has owned the property. As the Ninth Circuit Court of Appeals has recently held, the term "disposal" includes passive, as well as active migration of hazardous substances, and thus would include owners who held land while waste passively migrated through property. *Carson Harbor Village Ltd. V. Unocal Corporation*, 2000 WL 1290337 (September 14, 2000).

2222 Martin
Suite 255
Irvine, CA 92612
(949) 474-2231
Fax (949) 260-0940
e-mail: drsmith@drsmithlaw.com



LAWB 0946

Ms. Su Han
Regional Water Quality Control Board
October 26, 2000
2 of 2

We request that Mr. David Faithe*, the owner of the property prior to its purchase by All-Tex, and Mr. Key also be named as responsible parties. Mr. Faithe owned the property for many years, including time while the property was occupied by Western Chemical and several other tenants. He is therefore a responsible party. The trigger to liability is ownership or operation of a facility at the time of a disposal, not culpability or responsibility for the contamination. See *United States v. Monsanto*, 858 F.2d 160, 167 (4th Cir.1988) ("The traditional elements of tort culpability on which the site-owners rely simply are absent from the statute.")

The State Board has repeatedly held that the Regional Boards are obligated to name *all responsible parties* as respondents in orders. As the State Board stated in *In re Exxon Co., USA*, Order No. WQ 85-7, 1985 Cal. ENV LEXIS 10, 17 (Aug. 22, 1985) (emphasis added). See also *In re U.S. Cellulose*, Order No. WQ 92-04, 1992 Cal. ENV LEXIS 2, *4 (Mar. 19, 1992):

"[It] is appropriate and responsible for a Regional Board to name *all parties* for which there is reasonable evidence of responsibility, even in cases of disputed responsibility. However, there must be a reasonable basis on which to name each party. There must be substantial evidence to support a finding of responsibility for each party named. This means credible and reasonable evidence which indicates the named party has responsibility."

Thus far, neither Mr. Key, Mr. Faith nor All-Tex have contributed *anything* to the investigation of this property. My client is extremely concerned that the Board will expect SOCO Lynch to continue to comply with Board requirements at its sole expense, while allowing the other responsible parties to "hide in the weeds." We request that any future work required by the Board be required of Mr. Key, Mr. Faithe and All-Tex, until such time as their individual expenditures are equal to those thus far required of SOCO Lynch. We request that, with respect to any required work beyond the point at which all known responsible parties' expenditures are equal, be carried out by all responsible parties on an equitable basis, not just demanded of SOCO Lynch, without imposition of costs on other responsible parties.

Simply naming other responsible parties, without requiring them to perform any work or to contribute to work that is done at the expense of another party who performs work, is unfair to the party which expends funds in compliance with Board demands. Such an approach would allow, for example, All-Tex, which acquired the property with knowledge of its history and the potential impacts, to have property improved through removal of hazardous substances which they purchased with

* Mr. Faithe's address is 11581 Varna Street, Garden Grove, California 92640

Ms. Su Han
Regional Water Quality Control Board
October 26, 2000
3 of 3

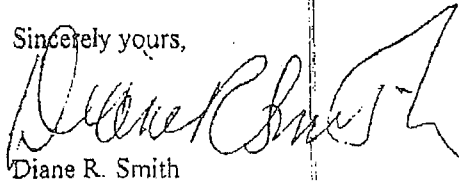
knowledge. The non-complying responsible parties would, therefore be unjustly enriched, at the expense of the complying party. Such an approach imposes a severe hardship on complying responsible parties, who are forced to bear both the cost of the work and the cost of potentially very expensive litigation to recover any funds expended.

This office is continuing to investigate the history of the property, and to obtain documents related to the history of the property and its occupancy and use over time. We will advise you at the earliest possible time of other parties who should also be held responsible for the costs and performance of any other actions deemed necessary at the property.

We have put our known insurance carriers with potential responsibility for this matter on notice. It may take some time to resolve any coverage issues which may exist. Because of delays due to the necessity of obtaining coverage decisions from the carriers, it may take some time for funds from insurance to be available for future site work. It is therefore particularly important that the Board require other responsible parties to undertake future work at the Property, until such time as they have equitably participated in required work, as requested above.

Please call me if you want to discuss any part of this letter.

Sincerely yours,



Diane R. Smith

AFFIDAVIT OF LYNE HETHRINGTON

I, Lyne Hethrington, am the Principal Environmental Scientist with JPR Technical Services, Inc. The following facts are within my personal knowledge and if called upon as witness, I could testify competently thereto.

1. In May 2000, I was retained by SOCO-Lynch Corporation to provide various environmental consulting services related to property located at 14650 East Firestone Boulevard in the City of La Mirada, California (the "Property"). It is my understanding the Property was formerly owned by SOCO-Lynch Corporation, and that it is currently owned and operated by All-Tex, Inc ("All-Tex").

2. On July 31, 2000, I arrived at the Property at approximately 8:00 a.m. to initiate the conduct of a subsurface investigation. I observed what appeared to be a new 55-gallon drum in All-Tex's shop entry way. The drum was labeled as containing methylene chloride.

3. That same day, Mr. John Reames, Project Geologist, and I conducted the subsurface investigation. That investigation included the collection of both soil and groundwater samples. Subsequent laboratory analytical results indicated the presence of several chemical compounds in the samples collected and analyzed. The analytical results included elevated concentrations of methylene chloride in several of the soil and groundwater samples collected.

4. Given the presence of the 55-gallon drum of methylene chloride at the Property, it appears that All-Tex may use this substance, which was detected in the subsurface. The presence and possible use of methylene chloride in All-Tex's business, together with the elevated concentrations of methylene chloride in the subsurface could suggest that All-Tex may have contributed to contamination at the Property.

I declare under penalty of perjury under the laws of the State of California and the United States that the foregoing is true and correct.

Dated: October 16, 2000

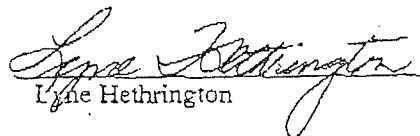

Lyne Hethrington

Exhibit L

LEASE

THIS LEASE is made and entered into this 10th day of October 1974,
at La Mirada, California, by and between
David Faithe
11581 Varna
Garden Grove, Ca. 92640

hereinafter called LESSOR, and

Western Chemical and Manufacturing Co.
3270 E. Washington Blvd.
Los Angeles, Ca. 90023 Phone 213-269-0191

, hereinafter called LESSEE.

LESSOR, in consideration of the rents and agreements to be paid and performed by LESSEE, does lease to LESSEE, those premises situated in the City of La Mirada, County of Los Angeles, State of California, described as:

14650 E. Firestone Blvd.

1. TERM The term of this lease shall be for a period of One(1) Year commencing on the 1st day of November, 1974 and ending on the Last day of October 1975.

2. RENTAL LESSEE agrees to pay LESSOR as rental for the demised premises:
The sum of \$950.00 upon the signing and execution of this lease of which \$775.00 shall constitute the rent for November 1974 and \$175.00 shall be applied to the present Security Deposit of \$600.00 making the Security Deposit as outlined in Paragraph 3 below. Thereafter, the rent in the amount of \$775.00 shall be paid monthly in advance on the first day for the balance of said term.

All of said rent shall be paid at the office of David Faithe, 11581 Varna, Garden Grove, Ca. 92640, California, or at such other place as may be designated by the Lessor. Any unused rent or deposit shall be held by the Lessor as security for the full performance by Lessee of the terms and conditions of this lease.

3. SECURITY DEPOSIT LESSEE shall deposit with LESSOR \$ 775.00 as security for LESSEE's faithful performance of LESSEE's obligations hereunder. If LESSEE performs all of LESSEE's obligations hereunder, said deposit, or so much thereof as has not theretofore been applied by LESSOR, shall be returned, without interest, to LESSEE (or, at LESSOR's option, to the last assignee, if any, of LESSEE's interest hereunder) at the expiration of the term hereof.

4. USE The premises shall be used for offices, storage and refining of solvents and other chemical products, and for no other purposes without the prior written consent of LESSOR. LESSEE shall not commit or permit to be committed any waste or nuisance upon the premises, LESSEE shall not use the premises, or any part thereof, for any purpose other than the purpose or purposes for which said premises are leased, and no use in any event shall be made of the premises, nor acts done, which will increase the hazard of damage to the premises, or to bodily injury to those in or about the premises, or the existing rate of insurance upon the building(s), nor shall LESSEE sell, keep or use in or about said premises, any article which may limit the coverage afforded by the California Standard Form fire insurance policy, or the sale, presence or use of which is prohibited by law.

5. POSSESSION If LESSOR, for any reason whatsoever, cannot deliver possession of the premises to LESSEE at the commencement of the term, this lease shall not be void or voidable except as hereinafter set forth, nor shall LESSOR be liable to LESSEE for any loss or damage resulting therefrom, so long as LESSOR exercises reasonable diligence to deliver possession, but in such event there shall be a daily pro rata deduction for rent covering the period between the designated commencement of the term and the actual time when LESSOR delivers possession, the duration of the term remaining unaffected. If LESSOR cannot deliver possession of the premises within Lessee has possession from the designated commencement of said term, this lease may be terminated at LESSEE's election. In all events the term shall commence not later than two (2) years from the date hereof.

**** 6. REPAIRS** LESSEE shall, at LESSEE's sole cost and expense, without obligation to LESSOR, keep and maintain the premises, and every part thereof including windows, doors, air circulating and heating equipment-including the cleaning and replacement of filters-as required from time to time but excluding the roof, exterior walls and sidewalks, in good condition and parking and storage areas

LESSEE shall hold LESSOR harmless for any such damage or injury; except that LESSEE shall not be liable to LESSOR for damage or injury to LESSOR's property caused by accidental fire, earthquake, other acts of GOD or LESSOR's negligent conduct.

16. DESTRUCTION

In the event of partial destruction of the premises during the term from any cause, LESSOR shall forthwith repair the same, provided such repairs can be made within ninety (90) days of the destruction, but such partial destruction shall not affect this lease, except that LESSEE shall be entitled to a daily pro rata deduction of rent while such repairs are being made, based upon the extent to which the making of such repairs interferes with the business carried on by LESSEE upon the premises, but in no event to be more than the amount of the monthly rental. In the event that LESSOR is unable to make such repairs within ninety (90) days of destruction, this lease may be terminated by notice in writing by either party. The provisions of Section 1932 (2) and Section 1933 (4) of the Civil Code of the State of California are waived by LESSEE. A total destruction of the premises shall terminate this lease.

17. CONDEMNATION

If the whole or any part of the premises shall be taken by any public authority under the power of eminent domain, then the terms of this lease shall cease as to the part so taken from the day possession of that part shall be required for any public purpose, and rent shall be paid up to that day, and on or before that day LESSEE shall elect in writing either to cancel this lease or to continue in possession of the remainder of the premises under the terms herein provided, except that the rent shall be reduced in proportion to the amount of the premises taken. All damages awarded for such taking shall belong to and be the property of LESSOR, whether such damages be awarded as compensation for diminution in value to the leasehold or to the fee of the premises. LESSEE hereby irrevocably assigns to LESSOR any right to compensation or damages to which LESSEE may become entitled by reason of the condemnation of all or a part of the demised premises.

18. TAXES

In the event the real estate taxes of the demised premises shall be increased in excess of the amount assessed for the fiscal year ending June 30, 1974, LESSEE shall pay LESSOR not later than thirty days prior to the due date of each installment thereof, such excess. In the event the tax bill covers property of which the leased premises are only a part, the tax bill shall be divided by the same ratio as the square footage occupied by LESSEE hereunder bears to the total leaseable square footage covered by the tax bill.

19. HOLDING OVER

Holding over after the expiration of the term, or any oral extension thereof with the consent of LESSOR, shall be a tenancy from month to month at a minimum monthly rental of Eight Hundred Twenty Five----- Dollars (\$825.00). Percentage rental rates, if any, and all other conditions and agreements of this lease shall be applicable to such holding over.

20. TERMINATION

On the last day of the term, or sooner termination, LESSEE shall peaceably and quietly leave and yield the premises to LESSOR, with fixtures and appurtenances in good order, condition and repair, reasonable wear and tear excepted. LESSEE shall leave the premises and appurtenances free and clear of rubbish and clean, and in the event LESSEE fails to do so, LESSOR may charge LESSEE for the reasonable cost incurred by LESSOR in having the same done.

21. LEGAL FEES

If legal action be brought in a court of competent jurisdiction by either LESSOR or LESSEE because of the breach of any condition or agreement herein contained on the part of LESSOR or LESSEE, the prevailing party shall be awarded a reasonable attorney's fee to be fixed by court. Upon filing of any such action by LESSOR against LESSEE in a court of competent jurisdiction for unlawful detainer, or any other action under the terms of this lease, the court may appoint a receiver to take possession of the premises and operate any business therein conducted by LESSEE.

22. WAIVER

Waiver by LESSOR of any breach of any condition or agreement of this lease by LESSEE shall not be deemed to be a waiver of any subsequent breach of the same or any other condition or agreement by LESSEE.

23. SUCCESSORS

The conditions and agreements herein contained shall apply to and bind the heirs, executors, administrators and successors in interest of the parties hereto.

~~24. OUTSIDE STORAGE~~

~~25. ASSIGNMENT~~

26. OPTION:

Lessee is hereby granted an option to renew this lease after the expiration of this lease term for a further period of One(1) Year. The same terms and conditions shall prevail except that the monthly rent shall be \$825.00. Lessee must notify Lessor in writing 60 days prior to the expiration of the original term of his intent to exercise said option.

14. INSURANCE (Additional Agreement) Lessee agrees to replace and pay for any broken glass caused by his operation on premises, at his expense. ~~In addition Lessee agrees to repair all holes in block walls upon vacating premises.~~

**NOTE: Paragraphs 6,13 and 14 changed as noted and portions thereof deleted as indicated. Outside storage not to interfere with reasonable use of existing parking stalls.

IN WITNESS WHEREOF, LESSOR and LESSEE have signed this lease the day and year first above written.

David Faiths

Western Chemical and Mfg. Co.

By: Fred W. Cluff

LESSOR

LESSEE

Exhibit M

MARIELLEN DUGAN
FIRST ASSISTANT ATTORNEY GENERAL OF NEW JERSEY
R. J. Hughes Justice Complex
25 Market Street
PO Box 093
Trenton, New Jersey 08625-0093
Attorney for Plaintiffs

By: Daisy C. Abel
Deputy Attorney General
(609) 984-0214

NEW JERSEY DEPARTMENT OF
ENVIRONMENTAL PROTECTION, and
ADMINISTRATOR NEW JERSEY SPILL
COMPENSATION FUND,

Plaintiffs,

v.

TECT, INC.; ALACER, CORP.;
ESTATE OF JAMES WARREN PATRICK,
(a/k/a J.W. Patrick and
Jay Patrick), Individually, and
as Principal Officer of TECT,
Inc. and Alacer, Corp.;
VERNON G. PECK (a/k/a Vern Peck),
As Executor of the Estate of
James W. Patrick;
RONALD J. PATRICK, As Executor
of the Estate of James W. Patrick
and as Trustee of the James W.
Patrick Trust;
VERNON G. PECK, As Trustee of
the James W. Patrick Trust;
YMELDA T. PATRICK, As Trustee of
the James W. Patrick Trust;
THADEUS SMITH, As Trustee of
of the James W. Patrick Trust;
JAMES D. TURNER, As Trustee of
the James W. Patrick Trust; and
THE COMMITTEE FOR WORLD HEALTH,
a not-for-profit, California
Corporation,

Defendants/Third-Party :
Plaintiffs.

: SUPERIOR COURT OF NEW JERSEY
LAW DIVISION - BERGEN COUNTY
: DOCKET NO. BER-L-3382-02

: Civil Action

: SPECIAL ENVIRONMENTAL CASE
THIRD AMENDED COMPLAINT

v.

THE DOW CHEMICAL COMPANY,
THE CARPENTER STEEL CORPORATION, :
ESTATE OF STANLEY W. DANZIG,
ESTATE OF SYLVIA DANZIG, :
KEVIN DANZIG,
DIANA DANZIG, :
DANZIG FLOOR MACHINE CORPORATION,
NEWARK INSURANCE COMPANY, :
ROYAL & SUNALLIANCE, and
OCCIDENTAL CHEMICAL CORPORATION, :

Third-Party Defendants. :

Plaintiffs New Jersey Department of Environmental Protection ("NJDEP"), and the Administrator of the New Jersey Spill Compensation Fund ("Administrator"), having their principal offices at 401 East State Street in the City of Trenton, County of Mercer, State of New Jersey, by way of Complaint against the above-named defendants (collectively, the "Defendants"), say:

STATEMENT OF THE CASE

1. Plaintiffs NJDEP and the Administrator bring this civil action pursuant to the Spill Compensation and Control Act (the "Spill Act"), N.J.S.A. 58:10-23.11 to -23.14, for the reimbursement of the cleanup and removal costs they have incurred, and will incur, for the discharge and unsatisfactory storage and containment of hazardous substances at the TECT, Inc. site located in the Borough of Northvale, Bergen County, New Jersey. Plaintiffs NJDEP and the Administrator also seek reimbursement under the Spill Act for the damages they have incurred, and will incur, for any natural resource of this State that has been, or may be, injured as a